

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY MAY 4, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 740**

**Introduced by Assembly Member Huff**

**(Coauthors: Assembly Members Benoit, DeVore, Garcia, Haynes,  
Shirley Horton, and Maze)**

**(Coauthors: Senators Dutton and Margett)**

February 17, 2005

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An act to add Sections 47634.2, 47634.25, 47634.3, and 47634.4 to, to repeal Section 47634.5 of, and to repeal and add Section 47634 of, the Education Code, relating to charter schools.

### LEGISLATIVE COUNSEL'S DIGEST

AB 740, as amended, Huff. Charter School Categorical Block Grant.

Existing law requires the Superintendent annually to compute a categorical block grant amount for each charter school, as specified. Existing law requires the Director of Finance to make certain computations annually regarding charter school block grant funding and to provide that information to the Superintendent within 30 days of the enactment of the annual Budget Act.

This bill would repeal those provisions of existing law and would establish the Charter School Categorical Block Grant to provide charter schools with funding for general education and disadvantaged pupil programs that would be in lieu of the funding received by charter schools pursuant to various categorical programs. The bill would establish, for the 2005–06 fiscal year, and for the 2006–07

fiscal year and thereafter, a different method for calculating the categorical block grant for charter schools.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 47634 of the Education Code is  
2 repealed.

3 SEC. 2. Section 47634 is added to the Education Code, to  
4 read:

5 47634. (a) The Charter School Categorical Block Grant is  
6 hereby created. This block grant shall provide charter schools  
7 with funding for general education and disadvantaged pupil  
8 programs that will be in lieu of the funding received by charter  
9 schools pursuant to various categorical programs.

10 (b) *It is the intent of the Legislature to develop criteria to*  
11 *determine which programs that are to be included in the Charter*  
12 *School Categorical Block Grant. These criteria shall include*  
13 *programs related to the general education of pupils and*  
14 *programs for which school districts receive funding for their*  
15 *disadvantaged pupil populations, including, but not limited to,*  
16 *English language learners and low income pupils.*

17 ~~(b) For purposes of subdivision (a), “general education~~  
18 ~~programs” includes all programs for which school districts~~  
19 ~~receive funding on a per-pupil basis for their general pupil~~  
20 ~~population.~~

21 ~~(c) For purposes of subdivision (a), “disadvantaged pupil~~  
22 ~~programs” includes programs for which school districts receive~~  
23 ~~funding for their disadvantaged pupil populations. Disadvantaged~~  
24 ~~pupil populations includes English language learners,~~  
25 ~~low-income pupils, and other high-cost or high-need pupil~~  
26 ~~populations.~~

27 SEC. 3. Section 47634.2 is added to the Education Code, to  
28 read:

29 ~~47634.2. (a) A charter school shall apply separately for~~  
30 ~~programs funded as reimbursements, categorical programs~~  
31 ~~funded through competitive grants, and categorical programs~~  
32 ~~funded using differential eligibility criteria.~~

1 ~~(b) Consistent with subdivision (a), a charter school shall~~  
2 ~~apply separately for all of the following categorical programs:~~

3 ~~(1) \_\_\_\_\_.~~

4 ~~(2) \_\_\_\_\_.~~

5 ~~(3) \_\_\_\_\_.~~

6 SEC. 3. Section 47634.2 is added to the Education Code, to  
7 read:

8 47634.2. (a) For the 2005-06 fiscal year, the Charter School  
9 Categorical Block Grant, established pursuant to Section 47634,  
10 shall be calculated as follows:

11 (1) The Superintendent shall compute the statewide average  
12 amount of funding per pupil received by school districts in the  
13 current year pursuant to subdivision (c) of this section and  
14 Section 47634.

15 (2) The Superintendent shall compute the statewide average  
16 amount of funding per identified educationally disadvantaged  
17 pupil received by school districts in the current year pursuant to  
18 Article 2 (commencing with Section 54020) of Chapter 1 of Part  
19 29.

20 (3) For each charter school, the Superintendent shall multiply  
21 the amount calculated in paragraph (1) by the school's average  
22 daily attendance reported at the second principal apportionment.

23 (4) The Superintendent shall multiply the per pupil amount  
24 calculated in paragraph (2) by the number of educationally  
25 disadvantaged pupils enrolled in the charter school. For  
26 purposes of this subdivision, a pupil who is eligible for  
27 subsidized meals pursuant to Section 49552 and is identified as  
28 an English learner pursuant to subdivision (a) of Section 306  
29 shall count as two pupils.

30 (5) The Superintendent shall add the amounts computed in  
31 paragraphs (3) and (4). The resulting amount shall be the  
32 charter school's block grant that the Superintendent shall  
33 apportion to each charter school from funds appropriated for  
34 this purpose in the annual Budget Act or another statute.

35 (b) For the 2006-07 fiscal year and each fiscal year thereafter,  
36 the Charter School Categorical Block Grant shall be calculated  
37 as follows:

38 (1) The amounts appropriated for the purposes of paragraph  
39 (1) of subdivision (a) and the per pupil amount determined in  
40 paragraph (1) of subdivision (a) shall be increased annually by

1 *the growth in charter school average daily attendance and by the*  
2 *inflation factor determined pursuant to Section 42238.1.*

3 *(2) The amounts appropriated for the purposes of paragraph*  
4 *(2) of subdivision (a) and the per pupil amount determined in*  
5 *paragraph (2) of subdivision (a) shall be increased by the growth*  
6 *in charter school average daily attendance and by the inflation*  
7 *factor determined pursuant to Section 42238.1.*

8 *(3) For each charter school, the Superintendent shall multiply*  
9 *the amount calculated in paragraph (1) by the school's average*  
10 *daily attendance as determined at the second principal*  
11 *apportionment.*

12 *(4) The Superintendent shall multiply the per pupil amount*  
13 *calculated in paragraph (2) by the number of educationally*  
14 *disadvantaged pupil enrolled in the charter school. For purposes*  
15 *of this subdivision a pupil who is eligible for subsidized meals*  
16 *pursuant to Section 49552 and is identified as an English learner*  
17 *pursuant to subdivision (a) of Section 306 shall count as two*  
18 *pupils.*

19 *(5) The Superintendent shall add the amounts computed in*  
20 *paragraphs (3) and (4). The resulting amount shall be the*  
21 *charter school's block grant that the Superintendent shall*  
22 *apportion to each charter school from funds appropriated for*  
23 *this purpose in the annual Budget Act or another statute.*

24 *(c) The following programs shall be included in the block*  
25 *grant and shall be used for the purposes of calculating the block*  
26 *grant:*

27 *(1) Agricultural Vocational Education Incentive Program, as*  
28 *set forth in Article 7.5 (commencing with Section 52560) of*  
29 *Chapter 9 of Part 28.*

30 *(2) Apprentice education, as set forth in Article 8*  
31 *(commencing with Section 8150) of Chapter 1 of Part 6.*

32 *(3) Economic Impact Aid, as set forth in Article 2*  
33 *(commencing with Section 54020) of Chapter 1 of Part 29.*

34 *(4) English Language Acquisition Program, as set forth in*  
35 *Chapter 4 (commencing with Section 400) of Part 1.*

36 *(5) Foster youth programs, as set forth in Chapter 11.3*  
37 *(commencing with Section 42920) of Part 24.*

38 *(6) Gifted and talented pupil programs, as set forth in Chapter*  
39 *8 (commencing with Section 52200) of Part 28.*

1     (7) *International Baccalaureate Diploma Program, as set*  
2 *forth in Chapter 12.5 (commencing with Section 52920) of Part*  
3 *28.*

4     (8) *Advanced Placement Program, as set forth in Chapter 8.3*  
5 *(commencing with Section 52240) of Part 28.*

6     (9) *Mathematics and Reading Professional Development*  
7 *Program, as set forth in Article 3 (commencing with Section*  
8 *99230) of Chapter 5 of Part 65.*

9     (10) *California School Paraprofessional Teacher Training*  
10 *Program, as set forth in Article 12 (commencing with Section*  
11 *44390) of Chapter 2 of Part 25.*

12     (11) *Partnership Academies, as set forth in Article*  
13 *5(commencing with Section 54690) of Chapter 9 of Part 29.*

14     (12) *Principal Training Program, as set forth in Article 4.6*  
15 *(commencing with Section 44510) of Chapter 3 of Part 25.*

16     (13) *Professional development block grant, as set forth in*  
17 *Article 5 (commencing with Section 41530) of Chapter 3.2 of*  
18 *Part 24.*

19     (14) *Program to Reduce Class Size in Two Courses in Grade*  
20 *9, as set forth in Chapter 6.8 (commencing with Section 52080)*  
21 *of Part 28.*

22     (15) *Pupil retention block grant, as set forth in Article 2*  
23 *(commencing with Section 41505) of Chapter 3.2 of Part 24.*

24     (16) *School and library improvement block grant, as set forth*  
25 *in Article 7 (commencing with Section 41570) of Chapter 3.2 of*  
26 *Part 24.*

27     (17) *School Safety programs pursuant to the Interagency*  
28 *School Safety Demonstration Act of 1985, as set forth in Chapter*  
29 *2.5 (commencing with Section 32260) of Part 19.*

30     (18) *California Peer Assistance and Review Program for*  
31 *teachers, as set forth in Article 4.5 (commencing with Section*  
32 *44500) of Chapter 3 of Part 25.*

33     (19) *State Instructional Materials Fund, as set forth in Article*  
34 *3 (commencing with Section 60240) of Chapter 2 of Part 33.*

35     (d) *It is the intent of the Legislature to fully fund the*  
36 *categorical block grant and to appropriate additional funding*  
37 *that may be needed in order to compensate for unanticipated*  
38 *increases in average daily attendance in charter schools. In any*  
39 *fiscal year in which the department identifies a deficiency in the*  
40 *Charter School Categorical Block Grant, the department shall*

1 identify programs that are funded toward meeting the  
2 requirements of Section 8 of Article XVI of the California  
3 Constitution that will have unobligated funds for the year and the  
4 associated balances available. On or before July 1, the  
5 department shall provide the Department of Finance with a list  
6 of those programs and their available balances, and the amount  
7 of the deficiency, if any, in the Charter School Categorical Block  
8 Grant. Within 45 days of the receipt of a notification of 10  
9 deficiencies, the Director of Finance shall verify the amount of  
10 the deficiency in the Charter School Categorical Block Grant  
11 and may direct the Controller to transfer from those programs to  
12 the Charter School Categorical Block Grant an amount equal to  
13 the lesser of the amount available or the amount needed to fully  
14 fund the Charter School Categorical Block Grant. The  
15 Department of Finance shall notify the Joint Legislative Budget  
16 Committee within 30 days of any transfer made pursuant to this  
17 section.

18 (e) It is the intent of the Legislature to triennially review,  
19 commencing with appropriations proposed for the 2008-09 fiscal  
20 year, the growth in funding for the charter school block grant  
21 pursuant to Section 47633 relative to the growth in funding for  
22 Proposition 98-funded categorical programs for noncharter  
23 schools less funding for adult education, special education  
24 programs, child development programs, Economic Impact Aid,  
25 regional occupational centers and programs, county office of  
26 education fiscal oversight, and appropriations made to a single  
27 local education agency.

28 SEC. 4. Section 47634.25 is added to the Education Code, to  
29 read:

30 47634.25. A charter school shall apply separately for the  
31 following programs:

32 (1) Adult education programs, as set forth in Article  
33 6(commencing with Section 52610) of Chapter 10 of Part 28.

34 (2) Adults in correctional facilities programs, as set forth in  
35 Article 9 (commencing with Section 41840) of Chapter 5 of Part  
36 24.

37 (3) After School Education and Safety Program, as set forth in  
38 Article 22.5 (commencing with Section 8482) of Chapter 2 of  
39 Part 6.

1     (4) *Advancement Via Individual Determination program, as*  
2 *set forth in Section 52247.*

3     (5) *Pupil residency verification, as set forth in Section*  
4 *48204.6.*

5     (6) *California School Age Families Education Program*  
6 *pursuant to Article 7.1 (commencing with Section 54740) of*  
7 *Chapter 9 of Part 29.*

8     (7) *California School Information Services pursuant to Article*  
9 *6 (commencing with Section 49080) of Chapter 6.5 of Part 27.*

10    (8) *Child care and development programs pursuant to the*  
11 *Child Care and Development Services Act, as set forth in*  
12 *Chapter 2 (commencing with Section 8200) of Part 6.*

13    (9) *Child nutrition programs, as set forth in Chapter 9*  
14 *(commencing with Section 49400) of Part 27.*

15    (10) *Community day schools as set forth in Article 3*  
16 *(commencing with Section 48660) of Chapter 4 of Part 27.*

17    (11) *Deferred maintenance, as set forth Sections 17582 to*  
18 *17592.5, inclusive.*

19    (12) *Early mental health programs pursuant to the*  
20 *School-based Early Mental Health Intervention and Prevention*  
21 *Services for Children Act of 1991, as set forth in Part 4*  
22 *(commencing with Section 4370) of Division 4 of the Welfare and*  
23 *Institutions Code.*

24    (13) *Home-to-school transportation, as set forth in Article 10*  
25 *(commencing with Section 41850) of Chapter 5 of Part 24.*

26    (14) *National Board for Professional Teaching Standards*  
27 *Certification Incentive Program, as set forth in Article 13*  
28 *(commencing with Section 44395) of Chapter 2 of Part 25.*

29    (15) *Regional Occupational Centers, as set forth in Article 1*  
30 *(commencing with Section 52300) of Chapter 9 of Part 28.*

31    (16) *Special Education Programs, as set forth in Part 30*  
32 *(commencing with Section 56000).*

33    (17) *Specialized secondary programs, as set forth in Chapter*  
34 *6 (commencing with Section 58800) of Part 31.*

35    (18) *Pupil testing programs, as set forth in Chapter 5*  
36 *(commencing with Section 60600), Chapter 7 (commencing with*  
37 *Section 60810), and Chapter 8 (commencing with Section 60850)*  
38 *of Part 33.*

39    (19) *Supplemental instruction programs, as set forth in*  
40 *Sections 37252 and 37252.2.*

1 (20) Targeted instructional improvement block grant, as set  
2 forth in Article 6 (commencing with Section 41540) of Chapter  
3 3.2 of Part 24.

4 (21) Teacher dismissal apportionments, as set forth in Article  
5 3 (commencing with Section 44930) of Chapter 4 of Part 25.

6 (22) The Class Size Reduction Program, as set forth in  
7 Chapter 6.10 (commencing with Section 52120) of Part 28.

8 (23) The Public Schools Accountability Act of 1999, as set  
9 forth in Chapter 6.1 (commencing with Section 52050) of Part  
10 28.

11 (24) Vocational Education, as set forth in Chapter 1  
12 (commencing with Section 8000) of Part 6.

13 (25) Year Round School Grant Program, as set forth in Article  
14 3 (commencing with Section 42260) of Chapter 7 of Part 24.

15 (b) It is the intent of the Legislature to develop criteria to  
16 determine which programs that charter schools are required to  
17 apply for separately.

18 ~~SEC. 4.~~

19 SEC. 5. Section 47634.3 is added to the Education Code, to  
20 read:

21 47634.3. (a) A charter school may not apply directly for  
22 categorical programs for which services are exclusively or almost  
23 exclusively provided by a county office of education.

24 (b) Consistent with subdivision (a), a charter school may not  
25 receive direct funding for any of the following  
26 county-administered categorical programs:

27 (1) American Indian Education Centers.

28 (2) The California Association of Student Councils.

29 (3) California Technology Assistance Project established  
30 pursuant to Article 15 (commencing with Section 51870) of  
31 Chapter 5 of Part 28.

32 (4) The Center for Civic Education.

33 (5) County Office Fiscal Crisis and Management Assistance  
34 Team.

35 (6) The K-12 High Speed Network.

36 (c) A charter school may apply separately for district-level or  
37 school-level grants associated with any of the categorical  
38 programs specified in subdivision (b).



~~SEC. 5.—~~

*SEC. 6.* Section 47634.4 is added to the Education Code, to read:

47634.4. (a) For purposes of the Charter School Categorical Block Grant, categorical programs created after January 1, 2005, shall be classified according to the criteria specified in Sections 47634, 47634.2, and 47634.3.

(b) Section 47634.2 specifies a comprehensive list of all categorical programs for which charter schools must apply separately. Categorical programs created after January 1, 2005, for which charter schools are to apply separately pursuant to Section 47634.2 are included in the list of categorical programs enumerated in subdivision (b) of that section.

(c) Section 47634.3 specifies a comprehensive list of all categorical programs from which charter schools are prohibited from receiving direct funding. Categorical programs created after January 1, 2005, for which charter schools are to be prohibited from applying directly pursuant to Section 47634.3 are included in the list of categorical programs enumerated in subdivision (b) of that section.

(d) If a categorical program is not listed in Section 47634.2 or 47634.3 or deemed to be included in the list of categorical programs in those sections pursuant to subdivision (b) or (c), it is also included in the Charter School Block Grant.

~~SEC. 3.—~~

*SEC. 7.* Section 47634.5 of the Education Code is repealed.